

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 TRSE-00 AID-05 OMB-01 OPIC-03 AF-10  
CIAE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05  
PA-01 PRS-01 SP-02 SS-15 USIA-06 /077 W  
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R 051601Z JUL 77  
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INFO AMEMBASSY BONN  
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AMEMBASSY MADRID  
AMEMBASSY MOSCOW  
AMCONSUL OPORTO  
AMEMBASSY PARIS  
AMCONSUL PONTA DELGADA  
USMISSION NATO  
DIA WASHDC  
USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 5122

E.O. 11652: XGDS-3  
TAGS: PINT, PO  
SUBJ: POLITICAL DEVELOPMENTS: PSD BACKS AWAY FROM  
"CONVERGENCE"

REF: (A) LISBON 4895 (DTG 251023Z JUN 77), (B) LISBON 4997  
(DTG 291656Z JUN 77)

SUMMARY: THE SOCIAL DEMOCRATIC PARTY NATIONAL COUNCIL  
MEETING JULY 2 BACKED AWAY FROM THE PSD-CDS "CONVERGENCE."  
THE PSD REAFFIRMED ITS OPPOSITION TO THE SOARES GOVERNMENT,  
BUT CALLED THE PARTY'S COOPERATION WITH THE CDS A  
PARLIAMENTARY AGREEMENT FOR MUTUAL CONSULTATION. WHILE  
THE CDS IS PUSHING FOR A TOUGH BARGAINING POSITION WITH  
THE SOCIALISTS ON PENDING LEGISLATION, THE SOCIAL  
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DEMOCRATS ARE SEEKING AGREEMENTS WITH THE PS ON ALL KEY  
LEGISLATION. A PSD INSIDER SAID THERE WILL BE NO MORE PSD-  
CDS "SUMMIT MEETINGS" - THE SYMBOL OF PSD-CDS COOPERATION.  
END SUMMARY.

1. PSD BACKS OFF "CONVERGENCE": THE PSD HELD ITS  
JULY 2 NATIONAL COUNCIL MEETING IN VIANA DO CASTELO

AMIDST THE CONTROVERSY CREATED BY THE BUILDUP OF THE PSD-CDS "CONVERGENCE" BY SOME AS AN ANTI-GOVERNMENT ALLIANCE AND BY THE OPPOSITION TO PSD-CDS COOPERATION VOICED BY SEVERAL PSD LEADERS, THE NATIONAL COUNCIL ISSUED THE FOLLOWING STATEMENT ON PARTY POLICY:

- PARLIAMENTARY AGREEMENT ONLY: "THE PSD REAFFIRMS ITS COMMITMENT TO COOPERATION AMONG THE PS, PSD, AND CDS. THE PARLIAMENTARY AGREEMENT FOR MUTUAL CONSULTATION WITH THE CDS DOES NOT DIMINISH THE AUTONOMY OF ACTION AND INDEPENDENCE OF VOTE OF EACH PARTY" (REF A).
- OPPOSITION REAFFIRMED: "THE PSD REAFFIRMS ITS OPPOSITION TO THE SOCIALIST GOVERNMENT WHOSE POLICIES ARE ONLY AGGRAVATING THE PROBLEMS OF THE PORTUGUESE PEOPLE AND INCREASING PORTUGAL'S DEPENDENCE." THE GOVERNMENT SHOULD INSTEAD HAVE THE CONFIDENCE OF THE PRESIDENT AND THE SUPPORT OF A PARLIAMENTARY MAJORITY.
- REJECTION OF MIRN: THE NATIONAL COUNCIL REPUDIATED THE FORMATION OF ANY ABOVE-PARTY MOVEMENTS.
- REJECTION OF ALLIANCES: ANY ALLIANCES OR COALITIONS ARE EXCLUDED UNTIL IT IS POSSIBLE TO MAKE AN UNDERSTANDING AMONG DEMOCRATIC PARTIES A REALITY.
- CALL FOR INDEPENDENT UNION EFFORT: THE NATIONAL COUNCIL CALLED ON ITS UNION ACTIVISTS TO COMPETE WHERE POSSIBLE WITHOUT ALLIANCES IN UNION ELECTIONS.

2. SOARES: PRIME MINISTER SOARES SPEAKING AT A JULY 1 SOCIALIST CONFIDENTIAL

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PARTY RALLY REAFFIRMED THE PS REJECTION OF ALLIANCES ON THE LEFT OR THE RIGHT. IN A CLEAR REFERENCE TO PS DISSIDENT LOPES CARDOSO AND HIS "WORKERS BROTHERHOOD," SOARES SAID THAT THERE HAD BEEN MANY SUBVERSIVES IN THE PARTY WHO HAD BEEN OUSTED ONCE THEY HAD SURFACED (REF B).

3. POLL: A JULY 2 "EXPRESSO" POLL CONDUCTED IN LISBON, OPORTO, AND THREE PROVINCIAL CAPITALS GAVE NO ENCOURAGEMENT FOR THE OPPOSITION PARTIES TO SEEK EARLY ELECTIONS. THE SOCIALISTS WERE THE CLEAR ELECTION PREFERENCE IN EACH CITY, ALTHOUGH THEY DECLINED SLIGHTLY FROM THEIR 1976 ELECTION SHOWING. THE POLL ALSO REVEALED MARIO SOARES WELL IN FRONT OF POSSIBLE COMPETITION AS THE PEOPLE'S CHOICE FOR PRIME MINISTER. ON THE OTHER HAND A MAJORITY OF LISBON AND OPORTO RESPONDENTS EXPRESSED DISSATISFACTION WITH THE PERFORMANCE OF SOARES AND THE GOVERNMENT.

4. COMMENT: THE PSD COUNCIL HAS BACKED FURTHER AWAY FROM THE "CONVERGENCE" WITH THE CDS. CDS SECRETARY-GENERAL BASILIO HORTA TOLD EMBOFF JULY 1 THAT THE CDS FAVORED A STRONG PSD-CDS STAND TO REJECT INDIVIDUAL AGREEMENT WITH THE SOCIALISTS UNLESS THE PS AGREES TO NEGOTIATE

AN OVERALL AGREEMENT ON KEY LEGISLATION. HOWEVER, PSD  
POLITICAL COMMITTEE MEMBER AMANDIO DE AZEVEDO,  
WHO WAS PRESENT AT THE NATIONAL COUNCIL MEETING, TOLD  
EMBOFF JULY 4 THAT THE SOCIAL DEMOCRATS WERE OPEN TO  
INDIVIDUAL AGREEMENTS WITH THE PS ON ALL PENDING  
LEGISLATION. ANOTHER PSD INSIDER PRESENT AT VIANA DO  
CASTELO TOLD EMBOFF THAT FOR NOW THERE WOULD BE NO MORE  
PSD-CDS "SUMMIT MEETINGS" -- MEETINGS WHICH HAD BECOME  
THE SYMBOL OF PSD-CDS COOPERATION.  
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## Message Attributes

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